

financial return on all of the resources being used, rather than on particular types of them. At the present time, it is essentially only the wood that is being paid for, which gives a distorted picture of the economic character of forest use.

An economic system of managing an industry cannot function without clearly established financing. The traditional sources of funding in forestry are: payment for services rendered and resources used; the levying of fines; appropriations from the State budget for nature conservation and other measures.

The foremost resource for meeting the expenses incurred in forestry is the stumpage fee, and this will continue as before. But the existing economic mechanism, which is directed at transferring the whole of the stumpage fee to the State budget and distributing the entire allowable cut among the consumers, separates the benefit deriving from forest use from the interests of the workers' collectives. A new economic mechanism must be created which will protect the interests of the collectives in the results of efforts expended in raising mature timber. It is accordingly necessary for a specific portion of the planned coupe (not less than 15 to 20 per cent) to be placed at the disposal of the logging enterprise collectives. It could be sold on a competitive basis or used for purchasing marketable goods.

An anticipated rise in stumpage fees beginning in 1990 will ensure a substantial increase in forest revenues. This must be converted into a resource that helps the industry to become self-supporting.

Payments for services are the second major source of funds for the economic development of forestry, but they must be collected for all types of services. The most important of these must be the leasing of forest lands to other sectors of the economy, as well as to cooperatives, voluntary organizations and private citizens. It is necessary to ensure the extensive development of leasing arrangements.